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Definitive guide to Harmonizing Global Financial Reporting

For finance professionals

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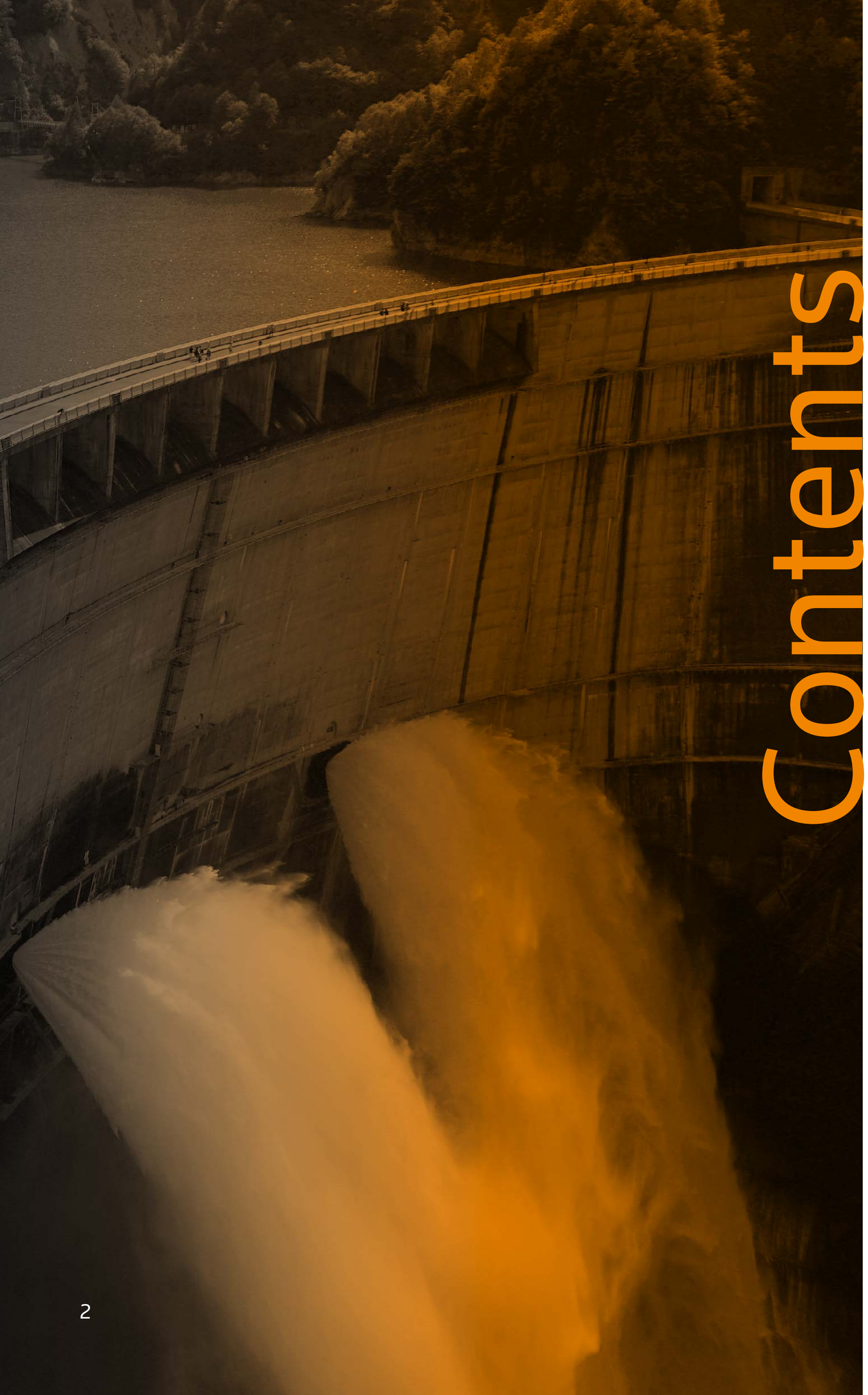

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What is global financial reporting?

Filing statutory financial statements is a legal obligation in most countries around the world. For every entity, local statutory financial statements must be submitted in the local language and must meet the local reporting requirements as well as filing deadlines. Local statutory financial statements have similarities to a 10K in the US. However, for most countries outside of the US, the requirement is to prepare, audit and then lodge for every entity in either hard copy format, or for many countries now in XBRL or electronic format.

Throughout this e-book we outline the substantial benefits to having an effective and centralized global financial reporting process in place. Processing statutory reports for individual entities presents a significant cost without a standardized system in place. As with your catalogue of tax processes, a streamlined and consistent method requires significantly less time spent tediously searching for accurate data, so you can drive cost savings back to your organization. Effective global financial reporting supports a cohesive overall tax process, particularly at the point of accurate provisioning and local corporate tax compliance.

Harmonization: getting started.

All too often,the statutory reporting process is too long, relies on too many manual processes, and introduces needless risk, all of which make a strong case for change.

In-country statutory reporting is ripe for harmonization. As part of the global trend towards finance transformation, as organizations look for new ways to drive savings and efficiencies, the old ways of doing things just don't cut it anymore. By harmonizing statutory reporting by standardising, centralising and automating; your organisation not only saves time and money, but greatly reduces the risk of human error that can lead to non-compliance.

But where to start? Harmonizing your global financial reporting can bring speed, efficiency, reduced risk and costs, but how can your team realize those benefits? How do we define the key terms, how does the process work, and how do you know whether you have enough central knowledge to ensure compliance? How do you choose a solution that works holistically for your enterprise, enabling people, processes, data and technology to drive a positive transition?

This guide will demystify harmonization of global financial reporting, helping you to understand how to be ready for harmonization—and how to make a measurable success of it when it's time to implement.

Challenges of global financial reporting.

Many multinational organizations are going through finance, tax or IT transformation projects in an effort to drive transparency, efficiency and reduce costs. This trend for global hub models continues to develop, organized around Shared Service Centers or Centers of Excellence, to streamline processes and reduce costs as well as risk. Initially focused on harmonization of the transactional landscape, now more complex added-value processes like statutory financial reporting are on the change agenda.

Finance and compliance teams are expected to operate with efficiency targets and deliver more with less – and harmonization of your reporting processes can be key to achieving this. Technology really helps organizations to look at the process more holistically, enabling your professional staff to focus on tasks that add strategic value to the whole enterprise.

Generally, the more jurisdictions a company operates in, the more time-consuming, complex and costly the financial reporting process is. Every jurisdiction has a different process and usually the technological specifications involved in reporting compliance vary greatly from one jurisdiction to the next, and local authorities frequently change their policies, regulations and disclosures.

For these multi-entity, multi-jurisdiction organisations, significant challenges emerge from the diversity of reporting and compliance requirements, and the pace of change of these requirements can cause ‘compliance fatigue’. Reports must be created for hundreds of legal entities across dozens of jurisdictions, all with distinct local formats, often in the local language, against challenging reporting deadlines and constantly changing regulatory requirements.

Global reporting requirements are evolving to meet new market needs informed by the changing financial and technological climate. As a result, financial reporting is becoming more complex and more stringent. Organizations are having to report and present data at an unprecedented level of granularity, which means more operational and process complexity, and more risk. Additionally, regulators are beginning to jump on the bandwagon, looking to standardize globally with such initiatives as IFRS standardisation and eFiling of the final submission.

This ever-changing regulatory landscape requires technical local knowledge and expertise, which is a main driver of companies retaining their reporting functions in-house, in-country. Logically speaking, this is sound reasoning. The laws and regulations in different countries are often written in the native language, so there are advantages to having people on the ground who understand the local language and legal customs, and who can ensure compliance at the local level while also acting as intermediaries to the larger enterprise. However, having multiple teams in multiple jurisdictions duplicates effort, increases inefficiencies and, of course, fixed costs. Further, organisations that lean ever more heavily on their local experts expose themselves to significant people-risk. In many locations, staff with local regulatory expertise are eagerly sought and recruited by teams from other organizations. A salary hike or some key staff leaving the organisation is sometimes enough to expose this vulnerability. Additionally, if done outside the country of filing in a hub model, the local language aspects needed in many jurisdictions is a further challenge on process and key person dependency risk.

Typically, within most multinational accounting departments, statutory reporting processes are still overwhelmingly manual. Spreadsheets and standard word processing tools are the primary vehicle for data collection and report generation. This antiquated approach lends itself to inaccuracies and inefficiencies. Such processes make an already complex task more difficult, and time-consuming, and can lead to delayed reporting or even non-compliance.

In practice, financial reporting involves tedious, manual work. As teams operate under immense pressure, and are faced with last-minute adjustments, errors can creep into the process. If your reports are being prepared for many entities across multiple jurisdictions, there are likely to be multiple teams involved, with differing sets of data and accounts dependant on who completes it and where. Without adequate standardization, auditors are likely to spend more time integrating different formats and reviewing different outputs, meaning an increase in the number of manual working hours, and of course, further risk of inconsistency and error. Auditors won’t protest, of course, as all this amounts to the proliferation of audit action points and therefore, billing.

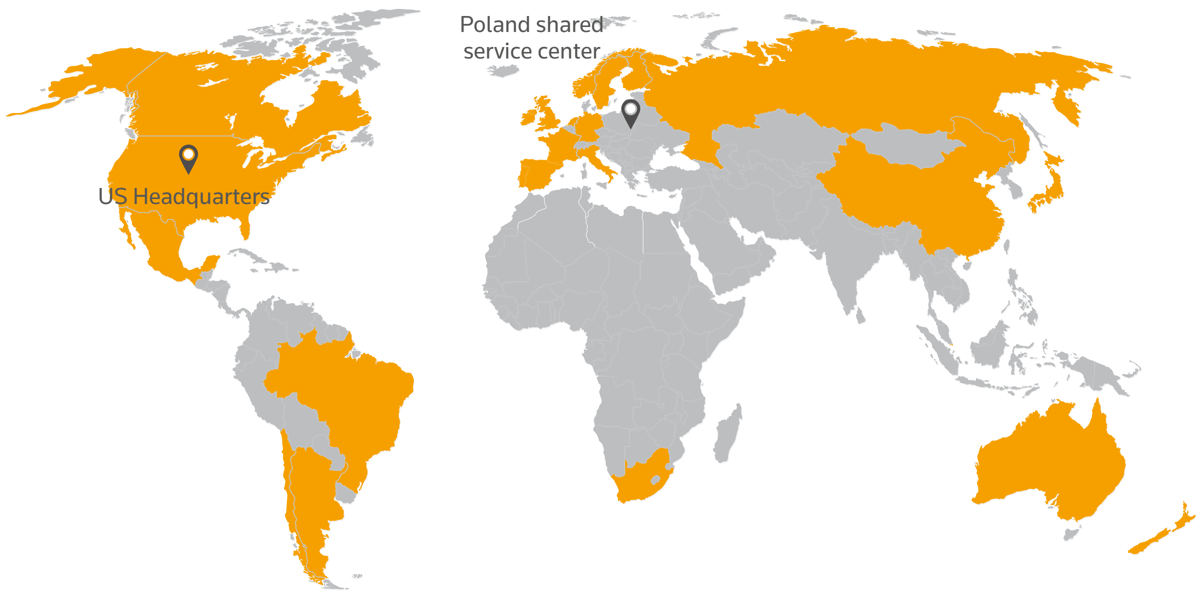
It is crucial to get local financial reporting correct and in line with the strict deadlines. Mistakes or delays can result in fines or even criminal proceedings against the filers of non-compliant documentation. Many jurisdictions hold directors personally liable if local financial statements are not correct or submitted late, so both the business and personal stakes are high.

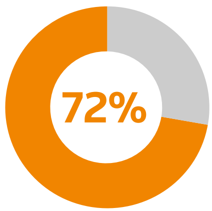
Multiple company operational jusrisdictions

What these challenges mean in practice.

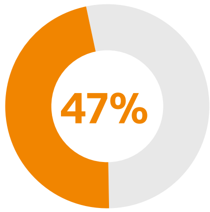
As we have seen, multi-entity, multi-jurisdiction organizations face a number of challenges when it comes to reporting. Whether it is compliance fatigue caused by the many changes to reporting requirements, or the sheer number of reports that must be created, each with their own distinct local formats, in local languages, with different deadlines and requirements. All of which can come at a huge cost to your business. Consider this example:

Country	Entities
USA	30
Canada	20
Argentina	2
Brazil	10
Mexico	2
Chile	1
United Kingdom	25
Ireland	15
Netherlands	15
France	4
Germany	4
Italy	3
Spain	5
Portugal	3
Norway	2
Sweden	2
Finland	2
Russia	2
Australia	5
New Zealand	2
Japan	3
Singapore	10
China	25
South Africa	1
Total	**193**





2+ Statutory Reports per entity



4+ Statutory reports per entity

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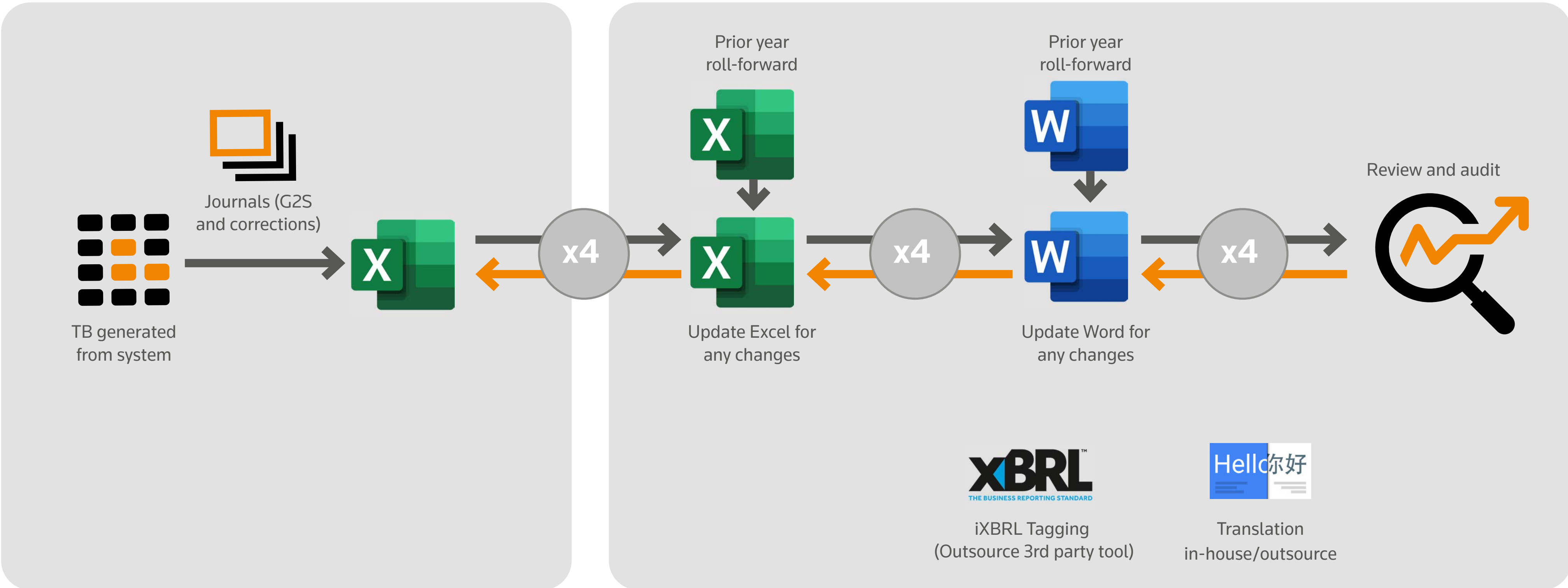
We have a US multinational with 193 entities in 24 jurisdictions around the world. They have a Shared Service Center in Poland that hires local language experts to prepare the local country financial statements for European countries.

If we disregard entities in the US—as, predominantly, there isn't the need to prepare or lodge financial statements at the individual entity level—we are still left with **163 entities** in **23 different jurisdictions** that require local country statutory reports. Given the local country regulations, reports must be prepared in **12 different languages**.

According to a recent Thomson Reuters survey, 72% of organisations stated that they repeat two or more statutory report drafts per entity, while 47% of respondents repeat four or more. Of course, experience would tell you that there could be several organizations that complete more than 4 drafts per entity.

Now let's look at the manual process and the time it takes to complete each stage.



Data Load
8 hours
4+ iterations

- Manual manipulation of data required for G2S adjustments, which may be done using different software in different formats and completed by different teams.
- As there are changes to the numbers while the TB is being finalized, there are repeated iterations.

Roll Forward
6 hours

- Research for content updates for regulatory changes.
- Manual work of rolling forward Excel documents, including adding new templates and removing historical ones, checking back to the prior year financials, rekeying prior year numbers, where appropriate, updating formulas for all organizational structure changes and ensuring links in the spreadsheet are not broken.
- Manual work of rolling forward Word documents, including adding new sections and removing historical ones, deleting prior year numbers, formatting all information headers, footers, page numbers, page layout, etc.
- Significant time is spent ensuring that all formatting is consistent across Word and Excel formats, which is compounded by the iterative process as auditors review and recommend changes.

Initial Draft
8 hours

- Initial preparation of primary statements, directors' report wording, accounting policies and full support notes.
- All are different across the various jurisdictions.

Drafts/ Final
16 hours
4+ iterations

- This is the process of manual data input and preparation of the draft of the reports.
- Must deal with rounding , note and page referencing, reconciliations and manual review.
- As changes are made from both internal and auditor feedback, further iterations are likely to be required.

Translation and XBRL
7 hours

- Final reports are translated into English, or back to local language depending on the process.
- For countries where electronic lodgment through XBRL is required, the reports will be passed over to an external team to prepare.

Process	Iterations	Hours
Data Load	4+	8
Roll Forward		6
Initial Draft		8
Drafts/Final	4+	16
Translation and XBRL		7

Total: 45 hours per entity

Of course, with manual processes comes high risk. As each process and each iteration of that process contains so many human touch points, the potential for oversight, inconsistency and error leading to non-compliance is ever-present. This is only compounded as deadlines approach and the workload becomes even more demanding. Looking purely at the quantifiable cost, when we add up the time for each of these processes and the iterations that take place, we see that it takes around 45 hours per entity. Applied to the example organisation with 163 non-US entities above, we see that the overall effort required is incredibly significant.

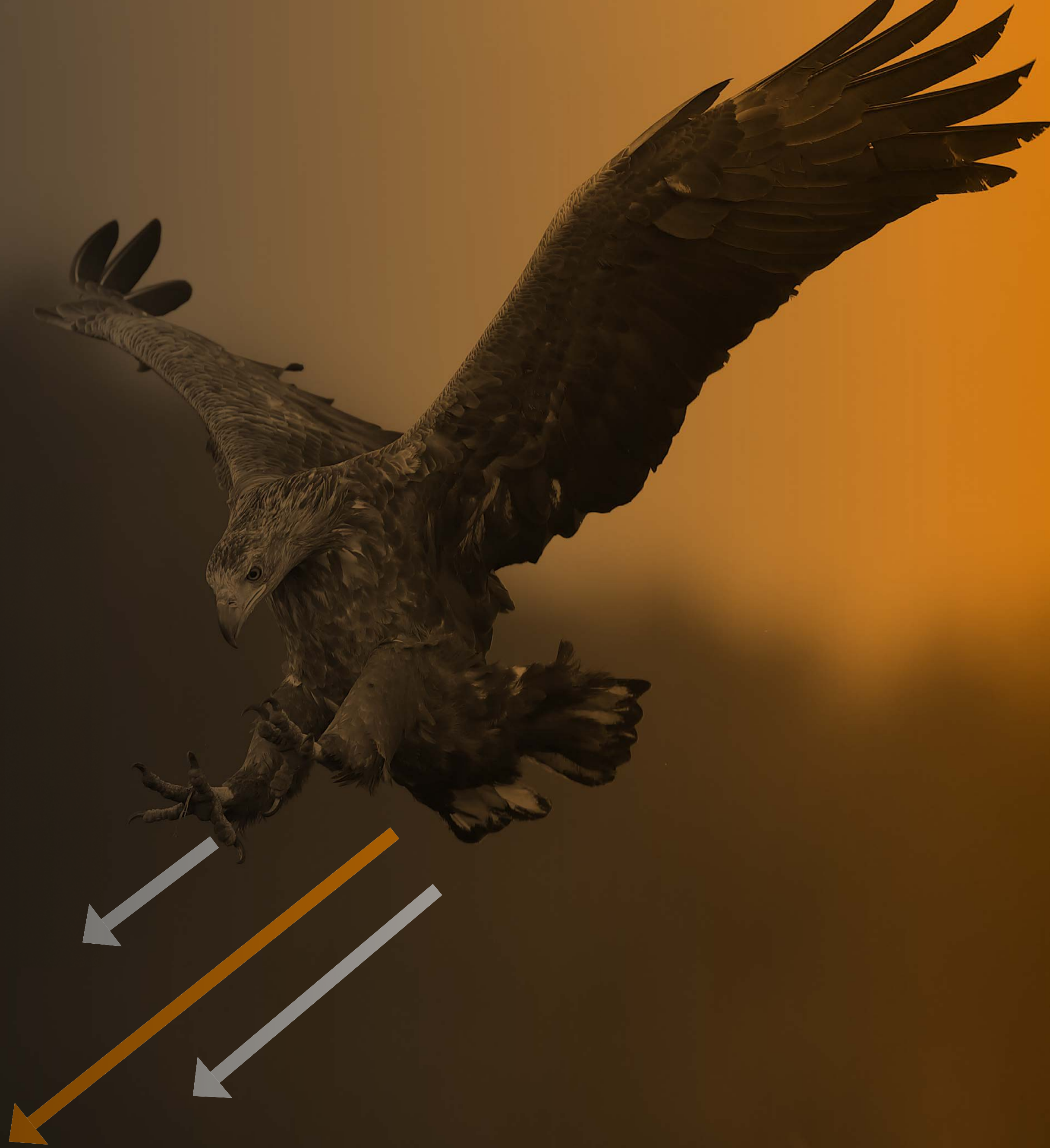
163 x 45 = 7,335 hours globally

1,048 days of work

As each organization is looking to streamline their operations and continually keep the bottom line in mind, the case for harmonizing the statutory reporting process becomes much stronger.

Why it’s time to harmonize your global financial reporting.

Harmonizing global financial reporting is about challenging the status quo. Using dedicated technology to standardize, centralize and automate your reporting processes can deliver greater efficiency, accuracy, and savings. Harmonization means that your staff can focus more time on the true meaning behind the numbers adding value, in effect, focusing on what financial reports are really all about. Capitalize on the skills they trained over so many years to gain, and reduce the need for them to trouble-shoot using black box spreadsheets.



Through harmonization, you could eliminate hundreds of hours of work and enable the preparation of full disclosure and supplementary notes, freeing your staff from research, formatting and burdensome manual tasks. Harmonization technology enables you to automate the simple things in your reports that can cause the biggest headaches, giving you greater consistency and accuracy.

By adopting the right harmonization solution, organizations can empower their teams with the tools needed to not only maintain compliance in a complex environment, but to also develop a global strategy focused on minimizing risk in response to changes in regulations, accounting standards and tax law, as well as drive better business decisions.

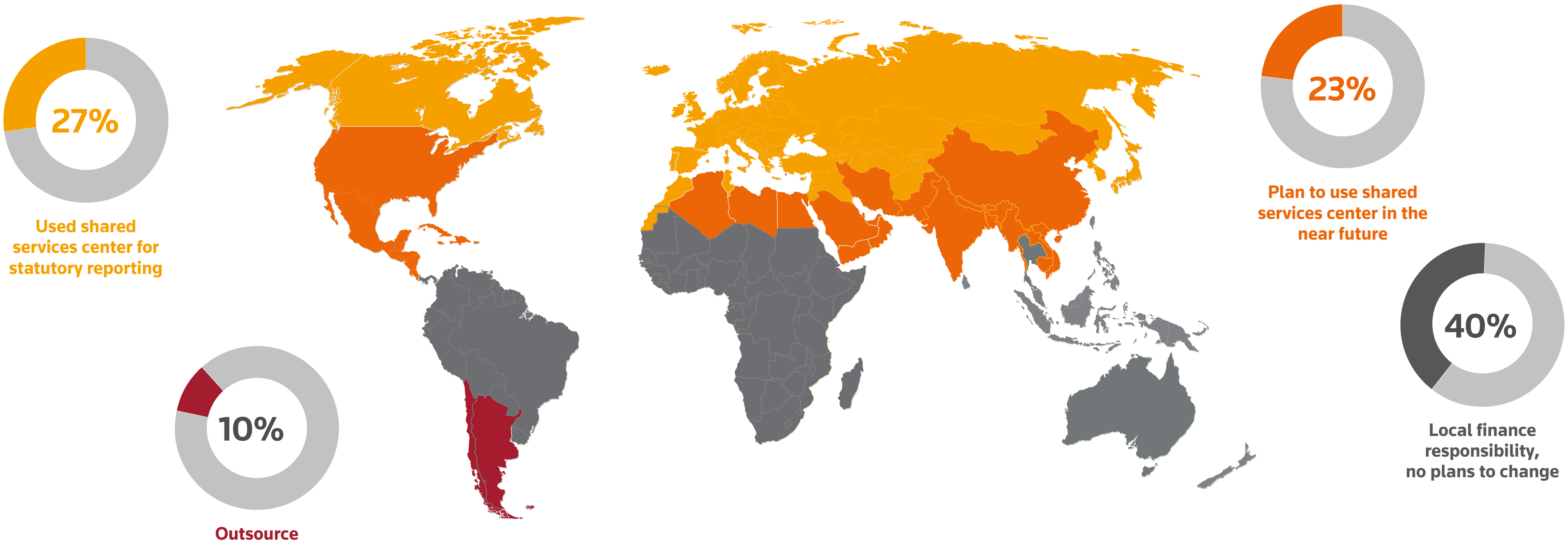
Of course, as with any transformation project, some resistance to change is natural and one of the major concerns about harmonizing statutory reporting, particularly for organizations with multiple global entities, is the perception that they will be exposed to increased risk as a result of gaps in local knowledge. Compliance personnel are forever haunted by the question, "do you know what you don't know?". However, moving to a centralized process with the right content rich technology can ease such worries.

How harmonization drives the shared services model

The shared services model has been deployed across multinational organizations for roughly three decades, driving improved, enterprise-wide cost efficiencies and quality services through standardization and centralization. The model is predominantly characterized by global service delivery, with centers usually serving multiple countries. Shared services are thus well-positioned to roll out harmonized global financial reporting services.

Financial reporting represents a veritable minefield of compliance and risk, leading many organizations to retain their reporting functions in-country. However, the proven benefits of moving to a centralized approach, organized around a global or regional Shared Service Center or Center of Excellence, far outweigh those of remaining in-country. While the opportunity to improve the cost and performance of financial reporting exists, what is holding back organizations is concern around exposing themselves to the risk of non-compliance.

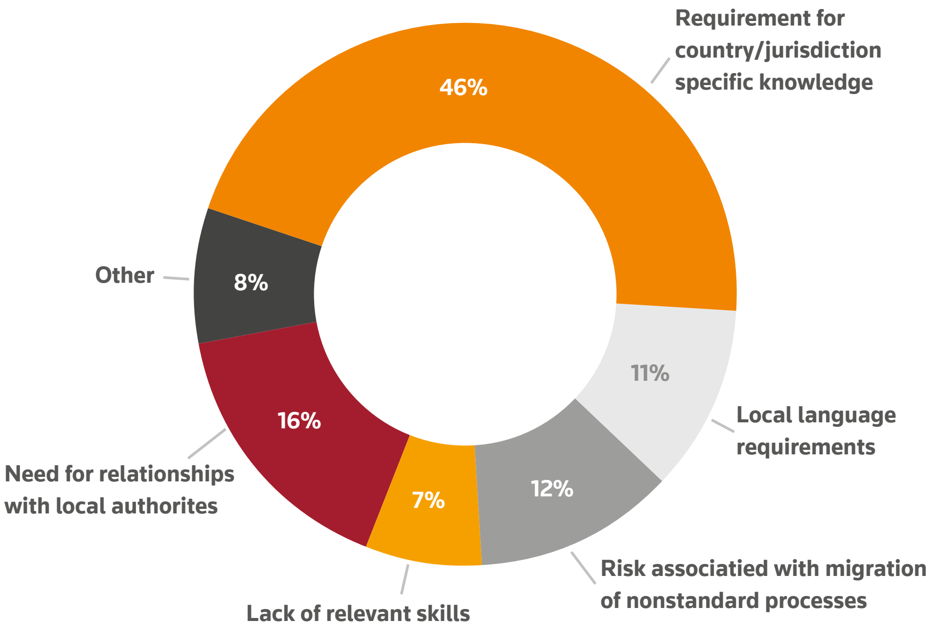
According to a recent survey, around 50 percent of multinationals were either already using or planning to use a shared service center for statutory reporting soon, 40 percent had local finance responsibility with no plans to change, and 10 percent of multinationals outsourced their statutory reporting. Clearly those that have not yet centralized their financial reporting functions do not want to get left behind by their competitors who have already embraced such strategy.



Language is no longer a barrier to harmonization

Centralizing reporting operations in a shared service center means less work at the local level and less duplication of efforts across the enterprise. Until recently, it also meant having to find ways around regional language issues, as well as the requirement for country - or jurisdiction-specific knowledge, and the need for relationships with local authorities. Indeed, 46 percent of respondents in a recent survey cite the requirement for in-depth local knowledge as a main challenge in harmonizing their statutory reporting. Another 11 percent cite local language requirements. Technology means you can overcome these barriers.

What do you consider the main challenge in moving statutory reporting to a centralized/SSC model?



Choosing a harmonization solution that fully integrates a universal language-translation function can essentially 'de-language' the entire statutory reporting production process. Without having to overcome the language barrier, it is much easier to transfer data and documents from different jurisdictions to a centralized operation, where it can be processed much more efficiently and easily integrated into the organisation's overall workflows. Centralization does not have to mean that you expose your organization to increased risk due to a lack of in-depth local knowledge.

Similarly, technology can offer standardized delivery of statutory reporting processes and assure that content-based knowledge and translation facilities address any localization concerns. As the technology and its expertise within has improved, the compliance concerns that were traditionally thought of as untouchable can now be successfully addressed through a centralized shared services model. Ensuring your solution integrates current local best practice content from the Big Four is critical to successful harmonization as it will provide assurance that mandated local compliance rules are met fully and correctly.

The process-based nature of financial reporting aligns itself well with the Shared Service model. From a process perspective, a lot can be harmonized through these centralized teams. Consider this break-down of the reporting process as highlighted in previous pages:

- Confirming primary numbers within ERP.
- Importing those numbers into statutory books.
- Taking the necessary steps to ensure those numbers are correct to local accounting.
- Disclosure management and assessment of applicable reporting for each financial entity.
- Updating changes from internal review and external audit.
- Roll forward and regulation update of the jurisdiction reporting requirements.

All of this lends itself to being standardized and automated, enabling you to spend less time on tediously labouring for data consistency, and more time focussing on increasing efficiency, improving controls, ultimately saving you time and money.

Key benefits of harmonizing global financial reporting.

Speed Harmonizing your global financial reporting facilitates the completion of financial statements earlier in your financial process. It enables you to spend less time on data collection and managing multiple report iterations, allowing for quicker access to the data you need for downstream processes.

Transition from GAAP to local statutory Reconciling the walk from GAAP to local statutory becomes simpler than ever. A harmonization solution ensures that you can easily load General Ledger data in multiple formats with audit trails for all data sources.

Finance transformation Harmonization means you have one provider for a standardized process—a consistent, centralized platform for global control of your financial reporting.

The simple things These include pre-linked disclosures, automated rounding, dynamic note and page number referencing, annual roll forward, linking data, pre-tagged XBRL reports, adding/removing/customising disclosures quickly, and standard work papers. A harmonization solution means that you can capture and store your data once to improve the quality of your reports and prevent re-keying errors, reducing the risk of non-compliance.

Harmonization in practice: case study.

An early adopter of a harmonization solution, this industrial-focused multinational, present in more than 100 countries, sought to improve the last mile of its statutory reporting. It had significant statutory reporting responsibilities, and the local reporting processes that it used were increasingly costly. There were approximately 500 ERP systems in use, reliance on Microsoft Excel was heavy, and there were many tools involved in consolidating their local reporting process. The complete process took too long, relied on too many manual processes and introduced needless risk.

The time was right to make a structural change to turn the patchwork system into a process that was scalable by allowing the user to do statutory reporting in-country as well as in a centralized hub. This approach would control costs and prove to be more resilient. The primary macro indicator for success was reducing total costs associated with jurisdiction-specific statutory reporting. The team also tracked the accuracy and quality of each filing.

The team needed an automated process that enabled standardized regulatory disclosure compliance at scale, part of an overall improved process for statutory reporting. The best-practice approach to achieving these goals was to standardize, centralize and automate the financial reporting process using harmonization software.

By using templates developed for major jurisdictions, the company was able to reduce its reliance on in-country expertise and thus its cost. Moving forward, advances in on-demand translation could deliver even more flexibility in this regard. For many jurisdictions, the company was able to work with its supplier to develop templates created in conjunction with a Big Four accounting firm to meet local country regulatory requirements. Regular updates ensured that the content remained compliant, adding further value to the transformation.

Adopting the harmonization solution was a seamless transition resulting in significant total cost reduction for statutory reporting, considerably fewer ERP systems, reporting templates for major and less popular jurisdictions, leading to the standardization of nearly 50 countries' reports.

What harmonization could mean for your organization.

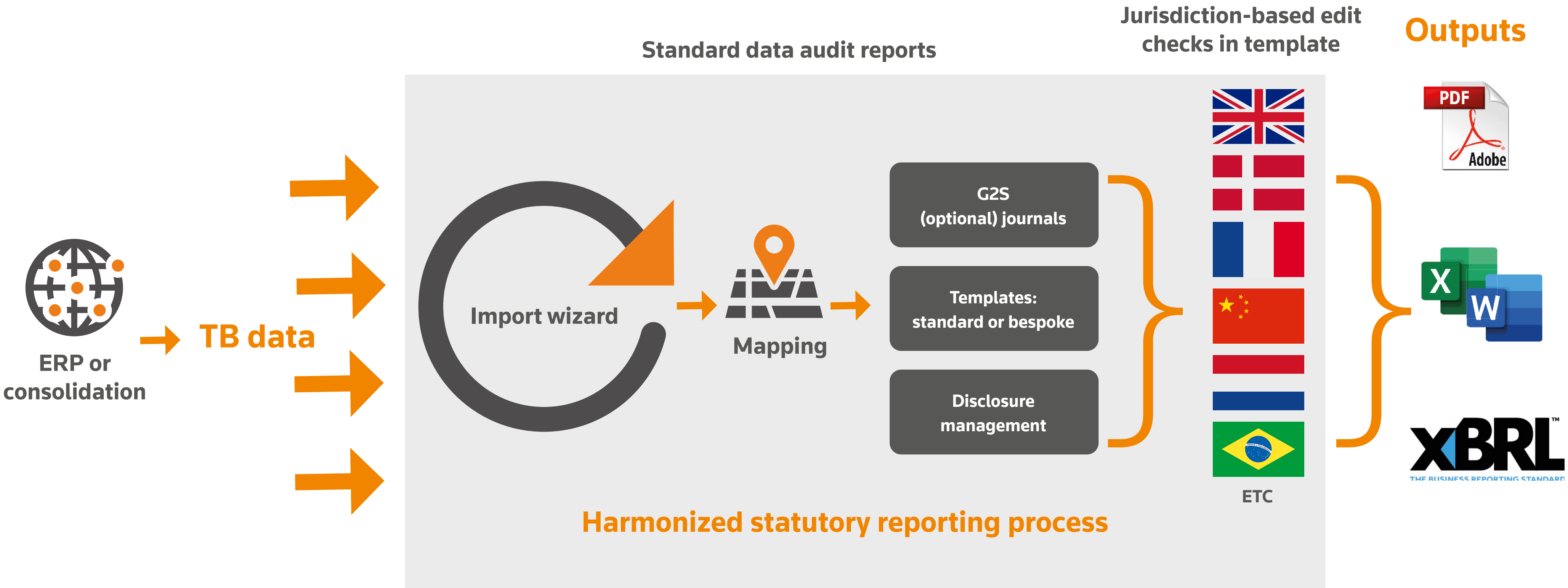
As we have seen, organizations often deal with multiple legacy processes that are effort-intensive, costly and loaded with risk. These processes often derive from decentralized delivery models where each country's local finance team was responsible for the preparation and filing for that country. This can add up to hundreds of different processes depending on the size of the organization.

A harmonization solution enables standardization by offering a single scalable, centrally controlled solution for multiple jurisdictions. This enables organizations to simplify legacy processes, reducing risk as well as higher costs in audit oversight, local legacy software licence or outsourcing expenses. As businesses grow, they must prioritize cost containment and organizational efficiencies in an effort to maximize profitability. Managing multiple legacy processes can create significant obstacles to organizations as they look to grow through acquisitions or restructures.

Whether the organization is looking to centralize their reporting processes through a Shared Service Center or Center of Excellence, maintain in-country or take on a hybrid approach, harmonization enables this. Not only does it promote an agile delivery model, but it also strips out any inefficiencies and additional costs inherent in the legacy processes.

As demonstrated above, these legacy processes are resource-intensive, often disparate, complex and iterative, leading to a high risk of human error. A harmonization solution enables you to address these challenges by introducing an automated process whereby the source data is linked directly to the statutory report and audit support papers, optimizing your audit cycle.

What could a harmonized statutory reporting process look like?




1
Upload Trial Balance data into a central location from the ERP system, regardless of the format.
2
That data automatically populates disclosures where applicable via standardized, country-specific account mapping.
3
Manage adjustments with a full audit trail of all data sources, eliminating risks and inefficiency.
4
Enter or upload non-Trial Balance data to complete the required disclosures.
5
The solution would enable you to capture and store Trial Balance and other data in one location.
6
Pre-linked disclosures automate the data directly to the report. Any adjustments are automatically updated throughout the system.
7
The reports are outputted into a number of different formats as required, automatically translated and tagged as necessary and in jurisdiction-specific and legislatively correct templates.

If we revisit our earlier example, we can see how a harmonization solution provides enormous benefits and equates to huge time savings. While the manual legacy process took around 45 hours per entity, a harmonized process would take only 15 hours to complete per entity.

Using a harmonization solution with automation, internal reconciliations and pre-tagged templates, not only saves you time, but you would also produce higher quality financial statements. You reduce the number of iterations needed for the data load process, which is automated and mapped to the relevant country-specific disclosures. In turn this reduces the time taken to complete Roll Forward process from 6 hours to 1.

Choosing a solution that includes best practice local country content would reduce the time taken to produce the initial draft from 8 hours to 2. Similarly, a solution that includes translation and XBRL tagging tools, delivers significant time savings.

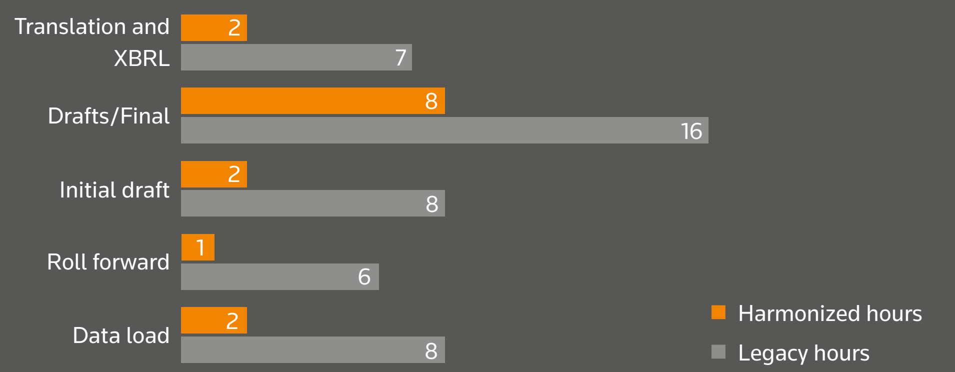
Process	Iterations	Hours
Data Load	1-2	2
Roll Forward		1
Initial Draft		2
Drafts/Final	1-2	8
Translation and XBRL		2

Total: 15 hours per entity

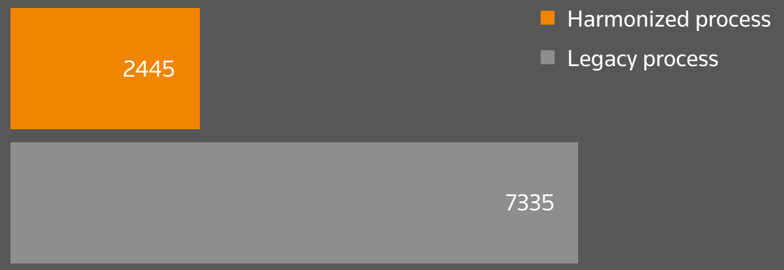
Applied to our example organization with 163 non-US entities, a harmonization solution delivers a dramatic time saving to your statutory reporting.

163 x 15 = 2,445 hours globally
349 days of work

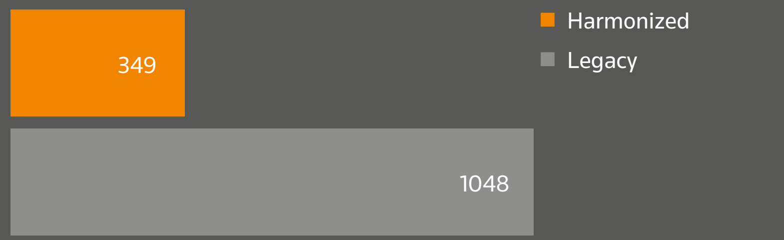
Comparison: legacy vs harmonized processes



Comparison: total number of hours per entity, legacy vs harmonized process



Comparison: number of days work, legacy vs harmonized process



Getting started: a buyer's guide.

Here are the key features to consider when choosing a harmonization solution:

Up-to-date Big 4 content: Harmonizing your global financial reporting is all about ensuring compliance and minimizing risk. Choosing a solution that incorporates best practice content provided by the Big 4 accounting firms gives you that peace of mind. Check whether your solution provides regular content releases, helping you to comply with updates to accounting standards and other in-country regulatory disclosures and requirements.

Language translation: Harmonize your reports globally choosing a solution that incorporates a language translation service.

Automation: your harmonization solution should save you time and increase accuracy when preparing your reports by utilizing automatic rounding, dynamic note/page numbering, referencing and a roll-forward process. Ideally your solution will enable you to generate supporting work papers that link your source data to your report for easy audit.

Ease of regulatory updates: Choose a solution whereby new mandated disclosures can be applied easily to your reports, enabling you to stay up to date with changes to accounting standards and other in-country regulatory disclosures and requirements.

Capture data once: Ideally your solution will be able to capture and store your data in one location to stop re-keying errors and ensuring that any changes need only be made once to be reflected throughout your reports and enabling flexible maintenance of these reports.

Complete audit trail: Substantiate your reports with standard work papers providing a full audit trail from your trial balance, including adjustments, to your reports.

Flexible, personalized disclosures: Your solution should enable you to insert and personalize new disclosures in your reports using standard templates, as well as creating and controlling your own specific disclosures if required.

Maintain corporate standards: Maintain the accuracy, quality and consistency of your corporate reports by controlling the updates to common notes and disclosures across your group.

Smart table editor: Choose an intuitive, user-friendly solution that allows you to dynamically tailor your tables, choosing what information to disclose and change formatting.

Create formulas and variables: Create and control your own formulas and variables to link and reference data throughout your report, in core tables and supplementary text.

Researching the available products with these features will enable you to choose the right solution for your organization's needs.

Next, build your business case.

Next steps: measuring ROI, influencing key stakeholders and implementing change.

Measuring ROI

It is no secret that finance professionals across most departments are under pressure to deliver more with less these days. The drive to efficiency means that organizations need to think more creatively about how they deliver their services and the solutions they can leverage to give them an edge over their competition.

Turning to technology, harmonization is considered a staple part of the toolkit to help organizations drive overall efficiency via increased standardization, centralization and automation.

In order to purchase a harmonization tool, it is likely that you will need to quantify exactly how the tool will add value to the business, and there are many ways to do so.

Return on Investment (ROI) is a popular metric used to support investment in harmonization technology as it is versatile and relatively simple. Measuring ROI will also help compare the costs between various solutions when you're selecting them. Tangible ROI is the more traditional way in which to measure return. It deals with very specific information that is easy to measure, for example, how much money will be spent and how much money will be saved over a period of time.

The very basic traditional ROI formula is as follows:
ROI = (Gain from Investment – Cost of Investment)/Cost of Investment

The less tangible benefits of harmonization can also be very powerful justifications for investment. For example, more accurate reports that are consistent across the whole enterprise and delivered more quickly can be at least as beneficial to your organization as the more tangible ROI measures, even though they are qualitative and more difficult to measure.

The benefits of adopting modern technology solutions for more reliable and efficient statutory reporting are measured partly in cost, but also in the ability to further leverage the core benefits of these tools. Language integrated into your solution, for example, reducing the risk of errors creeping into translations; similarly, automated processing eliminating human error and operating around the clock.

Another important aspect of leveraging technology across jurisdictions is that centralized platforms support and enable finance transformation. It is easier to scale a standardized process than try to extend multiple specialized ones

Start by mapping out your current process.

- Consider how you collect your data and how your contributors submit it. Is it consistent in format and language? Are there discrepancies and duplication—does information appear differently across tables or charts?
- Then consider how you organize that data to ensure that other teams can more easily understand it. Is there a recognizable link between the source data and all its destinations?
- Does your process allow for collaboration across different geographical centers at the review and audit stage of the process? Documents may be created in isolation meaning there is a lack of true collaboration and files may be saved on personal computers or locked for individual use.
- Take the process as a whole and think about how many people are involved, and the number of hours that goes into a manual process that could lead to several problems that ultimately cost time and money.

There are undoubtedly efficiency savings to be made from a harmonization solution. The process is faster, more accurate and consistent, eliminating human touchpoints and thus risk, and ultimately improving the bottom line.

Influencing key stakeholders

Change projects can be difficult to get off the ground, because of the perception that change implies that you're doing something wrong or that you haven't achieved your goals. However, standing still, even if it is comfortable, is going backwards and so shouldn't be an option. The organizations that embrace change and refine their ability to react for competitive advantage, are the ones that thrive.

If you've decided that you need to harmonize, then you've made an important step towards a faster, more efficient service that is lower risk and lower cost. However, your decision alone is unlikely to be enough. There are other key stakeholders in the business who will be affected by, and have an interest in, your decision to implement a new solution.

You need to understand the organization's culture, values, people and behaviours as all of these must embrace the need to change in order to deliver the desired result. You want to explain to them why the transformation is necessary and what benefits it will bring to their day-to-day role as well as to the organization at large.

Here are their main challenges, and how to address them:

Shared Service Business Manager

A mature organization. To enable shared service centers mature and become fully fledged internal profit centers, their leaders are striving for efficiency, to ensure the books balance to increasing cost reduction and efficiency pressures. Additionally, they are faced with increasing job market competition for their best staff. To achieve these goals, shared service business managers are increasingly turning to innovative digital process technology, enabling more for less; they are in fact some of the primary marketplace drivers for such technology.

Drive for standardization. A shared services center business manager is seeking ways to reduce the time, costs and risks associated with disparate, complex and inconsistent processes, making the need for standardization more apparent. Harmonization solutions with local knowledge and translation tools ensure that standardization and centralization can go together, dispelling the notion that statutory reporting can only be done in-country.

Staff retention. As demand for centralization expands globally, managers are seeing increasing challenges is risks associated with key person dependency. Competitive and buoyant job markets mean staff retention is something that keeps shared service center management awake at night. Standardizing, centralizing and automating statutory reporting processes frees up time for staff to focus on tasks that add value to the organization. Further, as the Millennial and Generation Z mindset becomes significant in the workplace, technology that provides such opportunities becomes essential to staff attraction and retention.

Head of Sourcing/Procurement

Right-sourcing/risk mitigation: Make sure they understand the wider resource impact of implementing a harmonization solution. Provide the hard numbers around time and cost savings that will result from standardizing, centralizing and automating your reporting processes.

The right supplier: Ensure that procurement understands the value of your chosen solution over the others, particularly if they vary in price. Breaking product features down simply, and explaining how the solution addresses business needs, security, integrations, ease of use and scalability are key to making procurement comfortable that you've chosen the right tool.

Predictable costs: Procurement hate surprises, particularly expensive ones. Make sure suppliers have explained their pricing policy with clarity — including training and implementation — and any costs that would be incurred by adding extra users, features or integrations further down the track.

Request for Proposal (RFP): Nothing makes procurement more comfortable than a rigorous RFP process. Asking suppliers to engage in this to communicate the product features and value to procurement in a language they understand.

Finance Director

Business growth and profitability: Make clear to your finance director the ROI they can expect from the solution. Consider quantifying both the time and cost savings and demonstrate how these metrics impact the organization's bottom line.

Efficiency: Harmonization ultimately enables teams to produce standardized, consistent reports on time with less risk than a manual process. Not only this, but it enables teams to focus more time on the true meaning behind the numbers adding value, in effect, focusing on what financial reports are really all about.

Managing risk: Thorough, transparent planning and proper scope should allay the fears here, but it's also worth considering factors like how much training is required, how long will implementation take, what are the security standards of the tool, and will there be a pilot scheme prior to full adoption?

Staying competitive: Find out which other firms use harmonization tools. Work out where harmonization would be a competitive and strategic advantage and make the case to your finance director.

Chief Information Officer

Cost reduction and ROI: The CIO wants to be able to show ROI and demonstrate cost efficiencies at their level. Make sure they see quantified cost impacts that they can report.

Employee engagement: Deployed correctly, new technology can revitalize employees, liberating them from mundane work so they can focus on high-value tasks. Make sure the solution is communicated in this way, so your colleagues don't feel they're being automated out of a job.

Technical details: Your CIO will have numerous questions around security, data management, integrations, compatibility, upgrades and maintenance: make sure you're ready to answer these questions if you hope to sell the CIO on the solution. Red flags against any of these will raise too much risk for a CIO to sign off on new technology.

Implementing change

To execute a successful finance transformation, it's worth taking a step back and looking at the overall process more holistically, while keeping four basic factors in mind: people, process, data, and technology. Ultimately—and ideally—all four need to work in harmony; otherwise, the project may not deliver the intended results.

People

Identify the people that need to be involved. Define roles and responsibilities and hold individuals accountable. Ideally you will have someone who "owns" the process. This person shouldn't just be the global controller, either—they should be responsible for overseeing the entire project in detail. Having a dedicated project manager who keeps track of goals and milestones, conducts regular check-ins, keeps track of project details and ensures consistent buy-in from other key stakeholders is vital to successful implementation.

Process

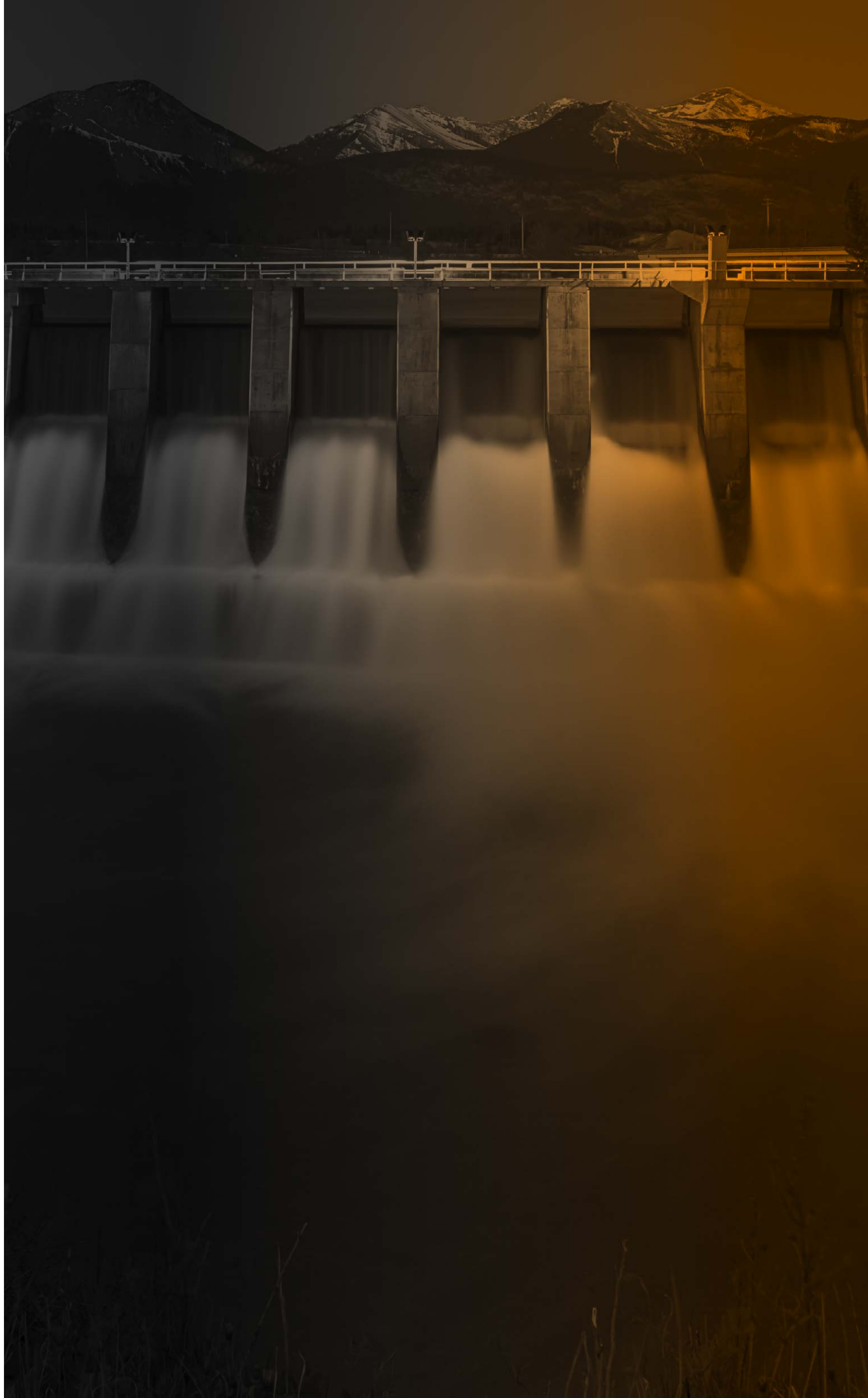
Understanding your existing manual process and how—and why—you want to change it is key. Try to understand how these processes will work post-harmonization and whether there are other elements of work that can be changed. Having personnel available who are intimately acquainted with the entire process, from start to finish, will make it much easier to realize the benefits of harmonization and take advantage of the synergies it provides. For example, in multinational finance departments, most of the statutory reporting work is completed before tax returns are prepared, and much of that statutory information can be re-purposed to avoid duplication. But for that data to get where it needs to go, everyone involved needs to understand what their colleagues are trying to achieve, what data they need, and in what form they need to receive it. Silo thinking won't work; communication between stakeholders and a shared understanding of the process are essential for a centralized system to function properly. That need for communication extends to external auditors, who need to be alerted to internal process changes and notified what to expect on their end.

Data

Assess your organization's data needs. Data underpins harmonized activity, so ensuring that you have reliable and consistent access to clean structured data is key. In many instances, fixing the data will require going upstream. A good approach is to pick out the most common entities and make adjustments upstream.

Technology

Identify the technology that can best facilitate the current and future vision of the organization. Technology is the enabler that brings it all together, reducing manual activity, risk and cost. Ensure that teams are properly trained on the solution and that they have access. Technology can help to drive improved controls and efficiencies, especially where working across virtual teams. Cloud-based platforms are particularly well-suited for this type of work because they allow global enterprises to consolidate operations through a system that all stakeholders can access, whether they are physically in the central office or not. Local representation can still exist, but their roles change, and their communications are channelled through the central system. Cloud-based platforms also allow organizations and their clients to share data more easily and can be scaled to meet the specific needs of an organization as they grow and evolve.



Conclusion.

With finance teams expected to deliver more with less and operate with efficiency targets, it's a perfect time to consider harmonization within your financial transformation project. Adopting the right solution can mean eliminating hundreds of hours of burdensome manual tasks that can lead to errors and inconsistencies, which is all the more vital in a changing, regulatory landscape that is more complex and stringent across many jurisdictions. New technology also means that language and local regulatory knowledge no longer have to be barriers to harmonization. Choosing a harmonization solution that fully integrates Big 4 content and a universal on-demand language-translation function can essentially 'de-language' the entire process.

Harmonizing the statutory reporting process is well worth the effort, particularly for organizations that operate across multiple jurisdictions or have complex regulatory reporting requirements. Efficiencies delivered through harmonization will certainly pay off.

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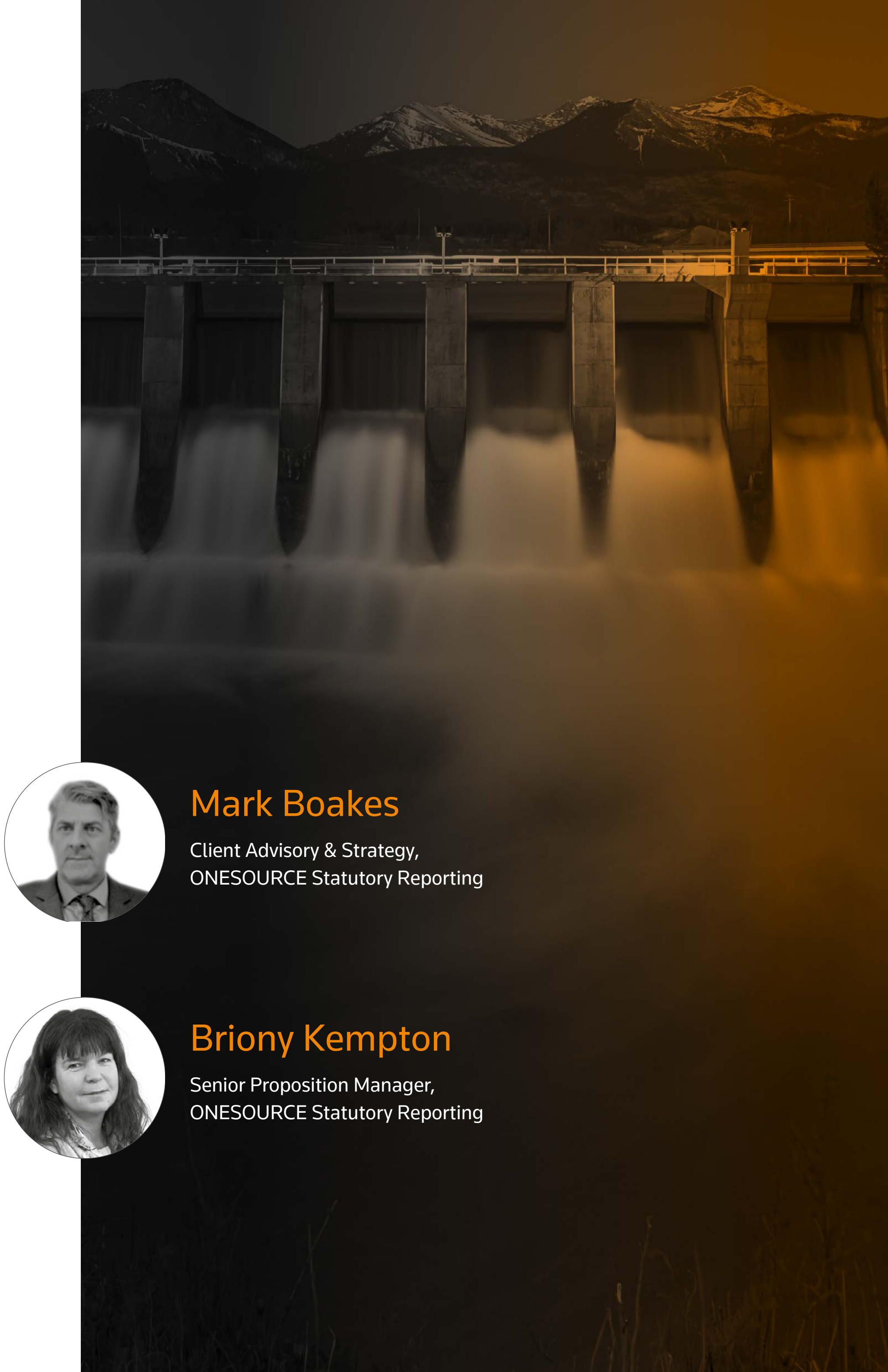

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